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March 30, 2022

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Request of Dominion Energy South Carolina, Incorporated to Decrease Its Rate Rider
Related to Pension Costs from (\$0.00020) to (\$0.00073) Per Kilowatt-Hour
Docket No. 2022-74-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the request of Dominion Energy South Carolina, Incorporated ("DESC" or "Company") to decrease its Pension Rider from (\$0.00020) to (\$0.00073) per kilowatt hour ("kWh").

In Commission Order No. 2012-951 (the "Order"), the Commission approved the Company's¹ mechanism to recover its pension costs related to retail electric operations ("Pension Rider"). The Pension Rider is subject to an annual true-up depending on conditions in financial markets and other factors. Since its creation in 2012, the Company has periodically petitioned the Commission to adjust the Pension Rider to ensure that it is collecting sufficient funds from its ratepayers to maintain the proper balance in the fund.²

According to the Company, since the last adjustment to the Company's Pension Rider in Docket No. 2021-46-E, the projected over-collected balance of pension costs has increased by approximately \$3.6 million through April 2022. The Company projects there will be an over collection of pension costs of roughly \$11.7 million as of April 2023 if the currently approved Pension Rider is not reduced. Additionally, DESC requests that the Commission approve, without notice or hearing, the proposed Pension Rider.

¹ The Order refers specifically to SCE&G, whose name was changed to Dominion Energy South Carolina, Inc. effective April 29, 2019.

² See Docket Nos. 2014-88-E, 2016-103-E, 2017-56-E, 2020-50-E, and 2021-46-E.

ORS reviewed the Company's proposal and January 2022 actuarial report. Per the Company's filing, current estimates reflect a decrease in pension costs, resulting in the requested decrease to the Company's Pension Rider. Based on its review, DESC's proposal is in accordance with the Order and ORS does not object to the Company's Request to decrease the Pension Rider from (\$0.00020) to (\$0.00073) per kWh.

That notwithstanding, given the uncertainty of future market conditions, potential for additional rate changes in 2022, and continuing impact of and recovery from the COVID-19 pandemic, the proposed decrease to the Pension Rider may result in a faster-than-anticipated balancing of over collections from customers. To monitor the impacts of economic and market conditions on the Pension Rider, the Commission directed the Company to file quarterly updates through April 2022 in Order No. 2021-275. ORS recommends that the Company continue filing these quarterly updates through April 2023 and alert the Commission and ORS of any potential intra-year adjustments necessary to balance Pension Rider collections from customers.

Regarding the Company's request that the updated Pension Rider be put into effect without notice or hearing, S.C. Code Ann. § 58-27-870(F) states that the Commission may issue an order allowing rates and tariffs to be put into effect without notice and hearing when such rates "do not require a determination of the entire rate structure and overall rate of return, or...when the rates or tariffs so filed are otherwise necessary to obtain an orderly rate administration." ORS does not object to the Company's request to put this decrease into effect without notice or hearing.

Sincerely,



Andrew M. Bateman

cc: All Parties of Record (via e-mail)
C. Jo Anne Wessinger Hill, Esquire (via e-mail)
David Butler, Esquire (via e-mail)